P.W (1944) Department

MS SERIES. Closed 26.5.44 WT Supdt.

G.O. No. 1371

Dated 15. 5. 44

[Despatch Abstract.]

Electricity – Hospet Municipal Electric Licence – Budget estimate for 1944-45 – Improvement of financial position of the undertaking – orders

52 (a).

Local Administration Department

From (Name) Sri.R.Lakshmipathy,B.A.,

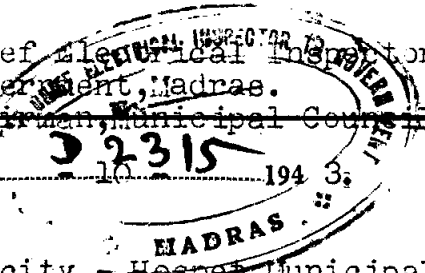
Designation Commissioner,Hospet Municipality,

Station Hospet.

Received ..... Registered .....

To The Secretary to the Government,
Local Administration Department
Madras.

Through
The Chief Electrical Inspector to Government,Madras.
~~The Chairman,Municipal Council,Hospet.~~



Enclosures:

C. No. 2469/43-B1 dated 1 - 10 - 194 3.

Sir,

Sub:- Lighting - Electricity - ~~Hospet~~ Municipality - diversion of funds from Capital to ordinary and loan from the Government sanction requested.

Though it is nearly nine years since the Electrical plant was installed in this Municipality, the concern, apart from becoming a remunerative enterprise, has become a very heavy strain on the meagre resources of this Municipality. Even to keep the concern running it has become a serious problem. The life of the engines has been exhausted and for the past three years the Municipality has been making strenuous efforts to replace the engines but the prospect of procuring a new engine Alternator set is becoming more and more remote on account of the present war conditions. The only alternative left open is to keep the almost condemned engines alive,as a consequence of which the maintenance cost has become abnormally heavy. The budgets under "B.Lighting-Account" have not been balancing for the past several years

without additional loans and additional contributions from General funds, detremental to the efficiency of the several other services the Municipality is bound to provide. The payment of annuities alone under "B.Lighting Account" amount to nearly Rs.16000/-. The revenue that is being derived from the Electricity scheme and the Lighting tax is too inadequate to meet the annuities and the maintenance charges. Every year there has been a recurring deficit of at least ten to twelve thousand rupees under 'B.Lighting Account. On account of the continued strain on the general revenues of the municipality the Council is almost bordering on insolvancy.

2. In order to appraise the council of the seriousness of the situation and to consent ways and means of financing the scheme, I arranged for a special urgent meeting of the council on 10-9-43 and placed my suggestions before the council. A copy of my note dated 9-9-43 to the council is herewith submitted for favour of perusa One of the suggestions put forth by me to the council was to raise the existing rate of general taxation on properties by 2 % which would have fetched an additional income of Rs.8800/- per year. But the council did not approve of my suggestion on the ground that the existing rate itself is too heavy. The present aggregate rate of taxation on properties, including scavenging and Lighting tax in this municipality comes to 19¾ % per year on the rental values. It was only in 193 that the rate of taxation was raised from 14¾ % to 19¾ %. The council strongly feels that any enhancement in the existing rate of taxation under the present accute economic conditions for an agricultural place like Hospet would be rather inhuman. For the past ten years the council, no doubt, left no stone unturned to augment its resources by all possible means and no further sources remain to be tapped. In order to keep the concern running , the council has, therefore, decide in its resolution No.402 dated 10-9-43, to request the Government as

i) To request the Government to permit the council to permanently .vert from 'B.Lighting Capital Account to 'Ordinary- B.Lighting Accou sum of Rs.12000/- to wipe off the expected deficit at the close of t r 1943-44. This sum of Rs.12000/- proposed to be diverted from the pital Account ' is from the loan amount of Rs.45000/- borrowed from e Government in their order No.MS.1400 R. A. dated 22.5.1941 for e purchase of additional plant and for the extension of the Power Ho ilding.

ii) To request the Government to sanction a further loan of Rs.2500 r the purchase of a new Engine Alternator Set promised in Government morandum No.699-B/43-5 dated 19-8-1943.

iii) To request the Government to postpone the payment of annuities the loans ~~xx~~ granted to the Electric concern till such date the con comes remunerative.

I beg to request that the Government may be pleased to pass ea ders on the requests made by the council.

Commissioner.

difficult to get necessary funds from the Government for the purchase of the engine at short notice. When the ordinary account opens with a balance of few hundreds for the next year, again difficulty will be found to find funds to wipe off the deficit which may come to Rs.10,000/- to Rs.12,000/- during next year.

In order to get rid of the difficulties I suggest that the Government may be requested to permit this council to ~~xxxxxxxxx xx~~ permanently divert a sum of Rs.12,000/- from the capital account to ordinary account to wipe off the expected deficit balance in the ordinary account at the end of this year and also to grant a loan of Rs.25,000/- for the purchase of engine alternator set.

So also to avoid the recurring deficit balances that is being experienced every year which may come to Rs.10,000/- the council may either raise the general tax by 2 ½ per half year in which case the expected income will be Rs.3800/- per year or to request the Government to postpone the payment of annuities till such date, the concern is able to get a new engine alternator set and is in a position to repay the loan, as the council is unable to meet the heavy maintenance expenditure on the worn out engines and at the same time to pay the annuity of Rs.10,000/- per year.

Sd. R. Lakshmipathy
Commissioner.

(True copy)

Sd. [illegible]
Commissioner.

Copy of the note to the council dated 9-9-43.

At the beginning of the year 1941-42 there was a deficit of Rs.16 the Lighting Account. During the year a sum of Rs.34279/11/7 was incurred as expenditure while the receipt was Rs.29503/14/11. Thus there was a probability of the account closing at the end of the year 1941-42 with a deficit balance of Rs.21579/4/8. In order to find ways to wipe of the deficit the council diverted a sum of Rs.11000/- as loan from the water and Drainage fund with the sanction of the Government and also borrowed a sum of Rs.27600/- from the Government. The council also borrowed a sum of Rs.45000/- for the purchase of and engine alternator set and also for the extension of power house building. After the receipt of the above said loans, the deficit in the lighting account was wiped off and the ordinary account closed with a surplus balance of Rs.17020/11/4 at the end of 1941-4 Out of the loan of Rs.45000/- got from Government for the engine and extens of power house a sum of Rs.9146/5/8 was spent on capital works and the capi account closed with a balance of Rs.35853/9/4.

The year 1942-43 opened with a surplus balance of Rs.17020/11/4 under ordinary account and Rs.35853/9/4 under capital account. During the y 1942-43 the receipt under ordinary and capital accounts were Rs.27179/ and Rs. nil respectively as against expenditure of Rs.43426/1/3 under ordinary account and Rs.3284/10/- under capital account. At the end o year the account closed with a surplus balance of Rs.271/12/11 and Rs.32568/15/4 under ordinary and capital accounts respectively.

The year 1943-44 opened with a surplus balances under ordinary and capital accounts as stated above. So far nearly a sum of Rs.10300/- been spent for running the concern in addition to a sum of Rs.8400/ advanced for purchase of electric articles, oils etc, and the pending adjustment as against a receipt of Rs.5300/-. Thus on this da the lighting account may be said to be in deficit balance of Rs.13100/- nearly. Besides a sum of Rs.12000/- more is required for repayment of Government loans and Rs.12000/- for expenditure under ordinary account the remaining 6 more months, but the expected receipt under the head is Rs.25000/- more nearly including the current charges and lighting tax. So, the budget is expected to close with a deficit balance of Rs.12000/ under ordinary account of the Electricity scheme.

In order to wipe off the deficit balance the Government may be re to permit the council to permanently divert this year the sum of Rs.1 from the balance of Rs. 32000 nearly available in the lighting capital and in which case the ordinary account will close with a surplus bala few hundreds.

There is a propsal for supply of a new engine alternator set and same is pending with the Electrical Commissioner with the Government of India. If by chance the engine is procured, the balance of Rs.20000/- nearly available in the capital account will not be sufficient and it ma

Local Administration Department

From (Name) M.Sitaramaswami, B.A.,
Commissioner,
Designation Hospet Municipality,
Station Hospet.

Received ..... Registered .....

To

The Secretary to Government,
Public Works Department, Madras.

Through

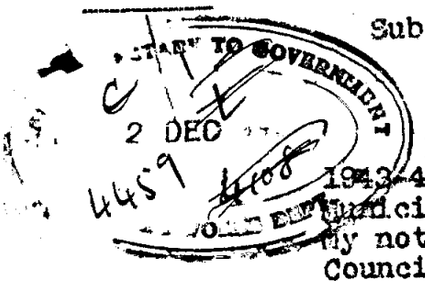
The Chief Electrical Inspector to Government, Madras.
~~The Collector, Bellary.~~
The Chairman, Municipal Council,
Hospet.

Enclosures:

No. 3490/43-B1 dated ..... 194 .

Sir,

Sub:- Budget Estimate for 1944-45 - Electric Licence Scheme - Hospet Municipality - submitted.



I beg to submit herewith the Revised Estimate for 1943-44 and Budget Estimate for 1944-45 of the Hospet Municipal Electric Licence Scheme together with a copy of my note to the Council dated 17-12-1943 and a copy of the Council's Resolution No.523 dated 22-12-1943.

The first thing that strikes at the very outset, on an examination of the financial position of this account, both in the Revised Estimate for 1943-44 and Budget Estimate for 1944-45 is the abnormal rise in expenditure over the anticipated receipt. As against a receipt of Rs.18990/- under 'Ordinary receipts' in the Revised Estimate for 1943-44 and Rs.19840/- in the Budget Estimate for 1944-45, the estimated expenditure is Rs.56050/- and Rs.51570/- respectively. The account which opened with a balance of Rs.43,203/- under the revised estimate for 1943-44 has worked out to a deficit of Rs.27377/- at the end of 1944-45 viz., within a period of two years.

P.W.Deptt original & the with the R.E 1943-44 & the B.E 1944-45 must ugh the C.E.V. by the awaited till 1-44.

Though it is nearly nine years since the Electrical plant was installed in this Municipality, the concern, apart from becoming a remunerative enterprise, has become a very heavy strain on the meagre resources of this Municipality. The life of the engines has been completel exhausted and they are almost on the point of a breakdown. For the past three years the Municipality has been making strenuous efforts to replace the engines but the prospect of procuring a new engine Alternator set has become remote on account of the present war conditions. Year after yea the maintenance cost of keeping alive the almost condemned engines is increasing and it has come finally to a stage where any more further finance on this account will become next to impossibility. The budgets under the Electric Licence Scheme have not been balancing for the past several years without large contributions from general funds, at the detriment of the efficiency of several othe services and without additional loans from the Government On account of the continued application on the general revenues of the Municipality, the Council is almost bordering on insolvancy. The payment of annuities alon under this scheme amount to nearly Rs.16000/-. In 1938- the deficit under 'B.Lighting Account' was completely wiped off by giving a contribution of Rs.28,150/- from General funds. Within so short a period of three years, i.e., by the end of 1941-42 the Electricity account again had developed a heavy deficit and we were forced to take an additional loam of Rs.27,600/- from the Government ap from a temporary diversion of Rs.11000/- from the water supply end Drainage fund to cover the deficit. Even

loan amount of Rs.45000/- sanctioned in G.O.No.MS 1400 L.A., dated 22-5-41 for the extension of the Power house and plant disappears at the end of 1943-44 except a small sum about Rs.4000/- without it being utilised for the purpose for which it was sanctioned. The Budget estimate for 1944-45 witnesses a deficit of Rs.27377/- at the close of the year. At this rate the concern cannot be expected to run even for a short length of period.

To tide over the impending situation and to balance the Budget, I suggested to the Council the following measures:-

(i) To request the Government to secure a new Engine Alternator set to the Hospet Municipal Power House and to sanction the necessary loan for purchasing the same; and also to permit the Council to commence payment of instalments on the loan after the concern becomes remunerative in view of the present bad financial condition of the Municipal Council.

(ii) In case it is not possible to secure a new engine to this power House immediately, to request the Government to revoke the licence under Section 4(1)(d) of the Indian Electricity Act of 1910 and to take necessary action under Section 6 of the said

(iii) To request the Government to sanction an advance of Rs.28000/- to wipe off the anticipated deficit under 'F. Remunerative enterprises for which separate accounts are kept - Electric licence Scheme' at the close of 1944-45, subject to payment of annuity after the electric concern becomes remunerative.

(iv) To increase the Lighting tax by 5% which may yield about Rs.11000/- per year from 1-4-1944 till the above proposals mature in order to meet the recurring deficit under Electric Licence Scheme or till the concern becomes remunerative.

(v) To request the Government to stop payment of annuities of loans already borrowed for Electricity scheme till the concern becomes remuneative.

(vi) To request the Government to accord sanction for having diverted the loan amount of Rs.45000/- sanctioned in G.O.No.M.S. 1400 L.A., dated 22-5-1941 for the extension of the Electric Power House and plant, for meeting the high maintenance cost of the existing old engines.

(vii) To request the Government to accord sanction for the permanent diversion of the advance of Rs.11000/- which was transferred to the Electric Account as a loan from the amount earmarked for Water Supply and Drainage fund, sanctioned in G.O.No.M.S.1230 L.A., dated 28-3-1942.

The Council was pleased to approve all my proposals except the increase in the rate of Lighting tax on the ground that it was only a few years ago that the rate of taxation was increased and that the existing rate itself is too high. The situation is very perplexing and warrants the necessity for an immediate action. The condition of the present engines is such that there may be a breakdown at any moment. The maintenance cost is prohibitively high and this Council has not got the wherewithal to meet the same. I, therefore, beg to request that the Government may be pleased to hasten to the aid of the Municipality and to save this Council from the present impending crisis.

Commissioner. 23-12-

Copy of letter only submitted to the Secretary, Public Works Department Madras direct for favour of information.
Copy of letter only submitted to the Chief Electrical Inspector to Government, Madras direct for favour of information.

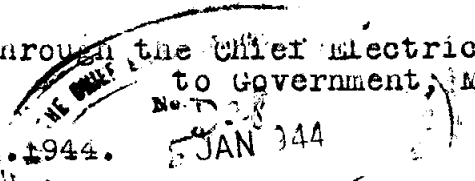
From

I. M. Fraser. Esq., I.C.S.,
Collector, Bellary.

To

The Secretary to Government
P.W.D. Department, MADRAS.

Through the Chief Electrical Inspector
to Government, MADRAS.



P.M. 88/43 B1 dated 3.1.1944.

Sir,

Sub:- Budget-1944-45-Hospet Municipal Council Electric Licensee scheme-submitted.

====

I enclose the budget quoted above. It will be seen that electrical concern of this Municipality has been ~~xxxxxx~~ draining off a large amount from the resources of the Municipality as the engines are badly worn. As a very large amount is spent on their maintenance, I recommend that any one of the six measures suggested by the Commissioner and approved by the council may be considered by the Government. What is really and urgently required is a new engine or better still, two new engines.

C.F. 32.

Local Administration Department

From (Name) M.Sitaramaswami, B.A.,
Commissioner,
Designation Hospet Municipality,
Hospet.
Station

Through

Received ..... Registered .....

To

The Secretary to Government,
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The Chief Electrical Inspector to
Government, Madras.

~~The Collector, Bellary.~~

The Chairman, Municipal Council,
Hospet.

Enclosures:

No. 3480/43-B1 dated 23.12.43 1943

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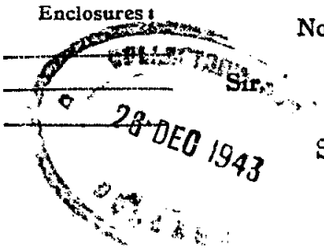

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Forwarded
Chairman.
24/12

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Commissioner.

Copy of letter only submitted to the Secretary, Public Works Department Madras direct for favour of information.

Copy of letter only submitted to the Chief Electrical Inspector to Government, Madras direct for favour of information.

L.F. No. 248.
M.F. No. 158.

Hoe & Co., Madras.

Budget Estimate for the year.

Hozpet Municipal ~~Panchayat Board~~ *Electricity Department.*

Statement No. 1.

Abstract of budget estimate for the year 1944 -1945

Rs.

Opening balance	.. 4386-11-7	Working Expenses as per Statement No. III	..35105-0-
Gross receipts anticipated ..	.19807-8-0	Capital works as per Statement No. II	.. 650-0
Loan received from Government .		Repayment of loan, annuity, sinking fund, etc.	..1518-0
Amount transferred from General Funds .	—	Profits transferred to General Funds	
	Deficit 27378-12-5	Closing balance	
	51573-0-0		

D.K. Chowdry
Electrical Engineer.

23.12.43

Budget approved in M.C.R. No. 523 / ~~Proceedings No.~~ D 22.12.43, ~~dated~~ and L.S.G. Memorandum No. , dated

K. Abdul Gaffar
Commissioner. 23.12.43
~~President~~

K. Abdul Gaffar
Commissioner, 23.12.43

Hozpet
.....*Municipality.*

L.F. No. 248.
M.F. No. 158.

Statement

PARTICULARS.	Actuals as per accounts of..... 42-43	Budget estimates for..... 43-44	Actuals for the six months, April–September. 43	Revised budget estimate for..... 43-44	Budget estimates for..... 44-45
CAPITAL EXPENSES.	Rs.	Rs.	Rs.	Rs.	Rs.
(*a*) Preliminary expenses (to be specified)..	71-6-0				
(*b*) Lands including law charges					
(*c*) Value of lands appropriated for electrical purposes ..					
(*d*) Buildings and other properties	2144-8-0				
(*e*) Plant			491-14-0	1500	
(*f*) Transformers and appliances					
(*g*) Overhead feeders					
(*h*) Underground feeders					
(*i*) Meters and testing equipment	31-9-8	50-0-0		105	250
(*j*) Special structures					
(*k*) Switch gear fuse and lighting arresters					
(*l*) Street lighting					
(*m*) Service connexions	24-12-7	500-0-0			100
(*n*) Tools and plant	235-2-0	100-0-0	82-3-0	150	300
(*o*) General stores					
(*p*) Transfer to sinking fund of value of land sold as per contra					
(*q*) Amount applied to the reduction on principal of borrowed money from value of lands sold as per contra ..					
(*r*) Special items (to be specified)					
Total expenses ..	2507-6-3	650-0-0	574-1-0	1755-0-0	650
Balance of Capital account ..					
Grand total ..					

No. II.

PARTICULARS.	Actuals as per accounts of..... 42-43	Budget estimates for.....	Actuals for the six months, April–September.	Revised budget estimate for.....	Budget estimates for.....
RECEIPTS.	Rs.	Rs.	Rs.	Rs.	Rs.
Loans	45000				
Interest on capital outlay during construction capitalized ..					
Government contribution, if any					
Value of lands belonging to the authority appropriated for electrical purposes					
Value of surplus land sold					
Amount transferred from net revenue account					
Other receipts (to be specified)					

Statement

PARTICULARS.	Actuals as per accounts of..... 42-43	Budget estimates for..... 43-44	Actuals for the six months, April-September. 43	Revised budget estimate for..... 43-44	Budget estimates for..... 44-45
	Rs.	Rs.	Rs.	Rs.	Rs.
WORKING EXPENSES—MAINTENANCE.					
A. Generation station—					
(*a*) Fuel	8796-3-0	13425	4636-9-6	10,500	10,000
(*b*) Oil, waste, water and engine room stores	2336-6-7	3214	4051-7-6	5,500	6000
(*c*) Proportion of salaries of Engineers, Superintendents and officers	918-3-8	920	591-3-5	1049	972
(*d*) Wages and gratuities	2,337-2-0	2835	1267-5-0	2,581	3,000
(*e*) Repairs and maintenance of—					
(i) Building		20	230-2-0	300	50
(ii) Plant	6969-12-1	2500	1965-1-10	12000	6,000
(*f*) Other items (to be specified)			3-0-0		
AA. Power purchased	35711-6			31,930	26,022
B. Distribution—					
(*a*) Proportion of salaries of Engineers, Superintendents and officers	918-3-8	920	591-3-5	1049	972
(*b*) Wages and gratuities	1207-14-0	1922	856-0-6	1839	1998
(*c*) Repairs, maintenance and renewal of mains					
(i) H.T. line K.V.					
(ii) L.T. line	102-11-4	210	122-10-6	210	200
(*d*) Repairs, maintenance and renewal of transformers					
(*e*) Repairs, maintenance and renewals of meters, switches cut-outs and other apparatus on consumers' premises	167-7-11	50	142-13-0	220	250
C. Public lamps—					
(*a*) Attendance and repairs	179-0-0	216	134-8-0	261	265
(*b*) Renewals, etc.	213-4-8	535	483-2-0	600	600
D. Rents, rates and taxes—					
(*a*) Rents payable	1-0-0	1		1	1
(*b*) Rates and taxes					
(*c*) Electrical duty					
E. Management expenses—					
(*a*) Salaries, etc.					
(i) Engineer's Department .. Rs.	1224-4-8	1227	788-4-2	1399	1296
(ii) Clerical Department .. Rs.	971-12-0	832	606-13-0	1224	1386
(*b*) General establishment charges	357-8-0	—	187-1-0	338	340
(*c*) Commercial expenses					
F. Law charges—					
Law expenses	22-6-0				
G. Other items—					
(*a*) Service connexions	29-15-5			50	50
(*b*) Compensation under Workmen's Compensation Act					
(*c*) Audit fees					
(*d*) Electrical Inspector's fees	30-0-0	40		40	40
(*e*) Leave and provident fund contribution charges	656-1-0	320	180-6-0	476	645
(*f*) Other sundry items (if any)	862-7-3	430 388	128-4-6	396 200	840 200
Total	28301-11-3	29945	16965-15-4	40 233	35105
Repayment of loan and interest	16396-0-0	10841	3805	15386	15386
Payment to—					
(i) Reserve fund	—	3445			
(ii) Sinking fund	—	1100			
(iii) Interests on consumers—Security deposits	122-0-0	432		432	432
Total	16518	15818	3805	15818	15818
Grand total	44819-11-3	45763	20770-15-4	56051	50923

No. III.

PARTICULARS.	Actuals as per accounts of..... 42-43	Budget estimates for..... 43-44	Actuals for the six months, April–September. 43	Revised budget estimate for..... 43-44	Budget estimates for..... 44-45
RECEIPTS.	Rs.	Rs.	Rs.	Rs.	Rs.
Sale of energy for lighting purposes	119222-00	14000	5799-10	12000	12500
Sale of energy for power purposes	3912-60	4000	2299-20	4800	5[illegible]
Sale of energy for public lighting	1902-00	3000	566-80	1140	
-00 - Maintenance repairs	392-4-8				
Sale of energy for special contracts					
Rental of meters on consumers' premises	879-2-0	900	442-8-0	900	
Service connexions—					
Actual cost .. Rs.	29-15-5				
Centage .. Rs.	4-8-7				
Miscellaneous receipts from consumers	214-5-3	100	67-4-0	150	
Rents receivable					
Interest on money at deposit		40			
Other receipts (if any) to be specified	88-8-0	50			

M. F. No. 158.

Statement No. IV.

LOANS.

Head of Account	Total loan taken.	Year in which taken.	Order granting the loan	Terms of repayment and the annual instalments.	Amount of loan outstanding at the beginning of the	Amount repaid during the year. For interest.	Amount repaid during the year. For principal.	Balance of loan outstanding at the close of the year.
i Rs. 110000 at 4½% from Dist. Board Kurnool sanctioned by Govt in G.O. No 3928 R+4. MS. dt 4-10-3								
ii Rs. 100,000 from Govt @ 3½% G.O. M.S. 3844 F.A. dt 28-9-38 in payable in 10 equal instalments of Rs 7036/- each								
iii General funds of this Authority for capital purpose 4053-5- G.O. No 135. L-A dt 10-1-4								
iv Advance from Govt to cover deficit Rs. 27600 sanctioned in G.O. No. M.S. 1238 F.A. dt 28-3-42								
v Diversion from water & Drainage fund to cover deficit Rs. 11000/- G.O. No. 1238 L.A. dt 28-3-42								
vi Loan sanctioned from Govt for the Electric Power house Rs. 45000/- G.O. No. MS. 1400 dt 28-5-41								

Commissioner's note dated 17-12-1943 to the Council on the revised estimate of the General Funds for 1943-44 and Budget Estimate for 1944-45.

****

The Budget Estimate of the General funds for 1944-45 is one of the most perplexing budgets ever presented to the Council. Year after year for the past several years, the Municipal Council is being threatened with a financial crisis. To avert the situation and to maintain the budgettary equilibrium, several loans, to the extent of maximum repaying capacity of the Council, had to be borrowed, apart from exploring all possible means of enhancing the Municipal Revenues. When the Budget estimate for 1936-37 was confronted with a heavy deficit of Rs.63000/- , the situation was tided over by borrowing a loan of Rs.47000/- from the Government and by raising the rate of taxation from 14¼ % to 19¼ % per year. Within as short a period as 1941-42 a similar situation arose, but the generous aid of the Government in granting a loan of Rs.27600/- from Provincial funds and permitting a diversion of Rs.11000/- from 'Water-supply and Drainage' fund for the purpose of wiping off the deficit under 'E.Lighting Account', in addition to the sanctioning of a separate loan of Rs.45000/- for the expansion of Electrical Power House and plant was obtained. A situation which is no less serious is again before us. The main reason for this bad state of affairs is the ever growing increase in expenditure without a corresponding increase in income under the Electric Licence scheme and the unsound financial condition of the 'C. Elementary Education Account' is explained below. Before suggesting ways and means to balance the present budget, I discus below the main features of the Revised Estimate for 1943-44 and Budget Estimate for 1944-45:-

Revised Estimate for 1943-44 -I-'A.General Account-'Management'

The existing rate of 'Dearness allowance' at Rs.5/- per mensem in respect of all employees drawing Rs.12/- and below and at Rs.4/- per mensem for those drawing more than Rs.12/- but not more than Rs.30/- is provided in the Revised Estimate for 1943-44 and also in the Budget Estimate for 1943-44.

II. Communications:- A sum of Rs.5000/- has been provided under 'Capital - charges' being the balance of amount to be paid to the Contractor in respect of the two black top roads, Railway Station Road and Chitawadigi road against a receipt of Rs.5840/-, the balance of grant to be received from the Government under 'Capital receipts'.

III. Education other than Elementary:- A sum of Rs.4000/- has been provided under 'Capital Expenditure' for rebuilding the burnt portion of the Municipal High school.

IV. Public Health:- The District Health Officer in his inspection notes has pointed out that the system of removal of rubbish by hired carts and bulls is unsatisfactory and suggests that it would be more efficient if the work of removal is taken up departmentally. As it is not possible to put the scheme into operation as suggested by District Health Officer in one year owing to paucity of funds a beginning has been made by providing a sum of Rs.1000/- for the purchase of three rubbish carts without bulls and also for a soil cart.

C. ELEMENTARY EDUCATION ACCOUNT:- On account of the Conversion of the Higher grade Headmasters' posts of the Agasarakere and [redacted] schools into Secondary grade ones and the sanction of one additional teacher to the Telugu school and the Hindu girls' school during the course of the year and also on account of the increase in the salary of teachers, the provision in the revised Estimate under 'Salaries and allowances of masters" has risen from Rs.12[redacted] provided in the original budget estimate for the year to [redacted]

E.Remunerative Enterprices for which separate accounts are [redacted] Electric Licence scheme:-

of the financial position of this account , both
mate for 1943-44 and the Budget Estimate for 19
abnormal rise in expenditure over the anticipated receipts
against a receipt of Rs.18990/- under 'Ordinary receipts' in
Revised Estimate for 1943-44 the expenditure is Rs.56050/-.'Repairs
to plant' alone consumes Rs.12000/- while 'recovment of loan and
interest' comes to Rs.15336/-. The account for the year which
opened with a balance of Rs.43,203/- is balances of loan amount
borrowed from Government for the purchase of additional plant.This
has dwindled into a negligeable balance of Rs.4383/- on account of
constant repairs to the plant.

Main features of the Budget Estimate for 1944-45 -

I.Management:- Provision has been made for the Dearness allowance to employees at the same rates provided in the Revised Estimate for 1943-44.

II.Communications:- The minimum provisions prescribed by the Government has been made, both under 'Trunk roads' and ' other roads'. No provision has been made under 'Capital Expenditure' for works such as black top roads for want of funds and also on account of the restrictions imposed for the duration of the war.

III. Education other than Elementary:- There is at present only one peon and one Night watcher for the High school. As the Night watcher cannot be made to attend the school during day time except for sweeping purposes for a few hours in the morning, great inconvenience is being felt to manage the school work with one peon. Two peons at least are quite essential for a big institution like the High School. The Headmaster has submitted his proposal for making necessary provision for a second peon in the Budget Estimate for 1944-45 and this has been accordingly included in the Budget Estimate, subject to the sanction of the appointment by the competent authorities.

IV.Public Health:- On account of the unsatisfactory financial condition of the Municipality it is not possible to carry out in full the recommendations of the Municipal Health Officer based on the suggestions of the District Health Officer Bellary made in his inspection notes. However provision for the following items is made in the Budget Estimate for 1944-45:-

(i) Purchase of one additional Night soil cart.
(ii) Purchase of one cess pool cart.
(iii) Appointment of two drivers for the said two carts and two pairs of hired bulls.
(iv) In the Revised Estimate for 1943-44 there is provision for engagement of six rubbish carts only. This provision is increased to eight in the Budget year 1944-45.
(v) Rs.600/- for the purchase of night soil drums.
(vi) Rs.1000/- for the purchase of three ruboish carts.
(vii) Rs.1500/- for the construction of latrines.

In providing for some of these essential needs the [redacted] provision under Public Health expenditure has exceeded [redacted] limit by Rs. ~~12747~~ 1155 /-.

V.Elementary Education Account:- Even without providing [redacted] needs of the schools such as adequate furniture and equipment introduction of prevocational subjects etc as per the recommendations of the Educational authorities, the account under 'Elementary Education' is expected to close with a deficit of Rs.[redacted] deficit is proposed to be made good by additional contribution from general funds. This is in addition to the usual contribution of Rs.3210/- which is being paid every year from General to Elementary Education funds.

[redacted]

[redacted]

...e Council Resolution No.523 dated [redacted]

...8. Read:-(1) Draft Revised Estimate for 1943-44 [redacted]
...or 1944-45 of the General funds of the Hospet Mu[redacted]
with schedule of establishment and Commissioner's [redacted]
thereon.

...esolution:- Passed. Delete item con[redacted]
of staff for Burrial gro[redacted]

(2)The following proposals of the Commissioner [redacted]

(i) To request the Government to ~~xxxxx~~ secure a new engi[redacted]tc
set to the Hospet Municipal Power House and to sanction the necessary loan for purchasing the same; and also to permit the council to commenc payment of instalments on this loan after the concern becomes remunerative in view of the present bad financial condition of the Municipal Council.

Resolution:- Approved.

(ii)In case it is not possible to secure a new engine to this Power house immediately to request the Government to revoke the license under section 4(1)(d) of the Indian Electricity Act of 1910, and to take the necessary action under section 6 of the said act.

Resolution:-Approved.

(iii) To request the Government to sanction an advance of Rs. ~~20000~~ 28000 to wipe off the anticipated deficit under 'Remunerative enterprices' for which separate accounts are kept - Electric Licence Scheme' at the close of 1944-45, subject to payment of annuity after the Electric concern becomes remunerative.

Resolution :- Approved.

(iv) To increase the lighting tax by 5 % which may yield about [redacted]000/- per year from 1-[redacted]4 till the above proposals mature in [redacted] the recurring deficit under 'Electric License scheme' [redacted] concern becomes [redacted]tive.

...ion:-Not approved as we have recently enhanced all taxes

...overnment to stop payment of annuities of loans ...ctricity scheme till the concern becomes

...on:-Approved.

...equest the Government to ~~xx~~ accord sanction for having ...e loan amount of Rs.45,000/- borrowed for the extension ...Power House and plant for meeting the high maintenance ...of the existing old engines and to wipe off the deficit under ...account.

Resolution:-approved.

(vii) To request the Government to accord sanction for the permanent ...version of the advance of Rs.1100/- taken from the amount ear-marked ...r water supply and drainage fund towards wiping off the deficit under ...lectric License scheme.

Resolution:-Approved.

...) To sanction the appointment of a Town Planning and Building ...or in the scale of Rs.60-5/2-75.

Resolution:-Not approved as there are no funds.

(ix) To extend the term of appointment of the Town Surveyor and ...t the Chairmen for a further period of [redacted] ...f the official year 1944-4

...esolution:- ...

(x) To pay dearness allowances to the employees at the rates which are now in force in this municipality.

Resolution:- approved.

(xi) To sanction the retention of the two road coolies till the close of the official year 1944-45.

Resolution:-Not approved.

(xii) To sanction the appointment of an additional peon to the Municipal High school Hospet in the usual scale applicable to peons.

Resolution:-Approved.

(xiii)To sanction an additional contribution of Rs.1820/- from General funds to Elementary Education in addition to the usual contribution of Rs.3210/- in order to wipe off the deficit under the latter account.

Resolution:- approved.

(xiv) To appoint a committee to discuss ways and means to enhance the revenue under encroachment fees and to frame suitable by-laws.

Resolution:-Messrs. T.Channaveeraya ,K.Shaheman Sahib ,D.Jambappa M.Raja Sahib and L.Sannkeppa to constitute the committee.

3. To consider the following proposals which were ordered by the Council to be placed for consideration along with the Budget estimate for 1944-45 but which are not included in the Budget Estimate for want of funds:-

(i) Adoption of bonus fund for sweepers and scavengers as per G.O.No.1729 R.M. dated 5th June 1942.

Resolution:-To be considered with next year's budget.

(ii) Taking up of survey of the remaining twenty un-surveyed streets by the survey staff as per collector's proceedings No.168 dated 26-6-1943 and Council resolution No.363 dated 31-8-43 stating that there are no funds for the present.

Resolution :-To be considered with next year's budget.

(iii) Providing funds for the construction of a market for the grains etc to replace the one which is now allowed temporarily on the road margins of the main bazar as per Collector's R.C.C.No. 88 81 dated 7-3-42.

Resolution:- To be considered with next year's budget.

Sd.A.V.Swamy
Chairman.M.C

(True copy)

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

Office of the
Chief Electrical Inspector to Government,
Cape Town, 1st March, 1944.

Memorandum No. 23/5D/43-P dated 29th January 1944.

Subject: Subject - 1944-45 - Despatch Municipal Council Electric Licence Scheme.

Ref: From the Commissioner, Despatch Municipality, through the Collector of Salary, No.3489/43-21 dated 23-12-43 Endorsement of the Collector, Salary, No.38/43 Bl. dated 8-1-1944.

Forwarded.

2. The matter of the continued operation and existence of the Municipal Electrical undertaking has been under correspondence from this office and the source of constant concern. The engines have spent their useful life. One large engine (40 H.P.) is out of action now and a large number of repairs are needed to get it in service. Misalignment is also suspected and if this is found ~~correct~~ to be on check, re-erection of foundations will be called for.

3. The second large set (40 H.P.) is in such precarious condition that nuts and bolts have had to be tightened from day-to-day and a constant watch kept to avoid any undue vibration or sign of wear. This notwithstanding the fact that the generation runs only for 8 hours in the day. The third set (13 H.P.) is at present in a fair condition but its capacity is small and working singly, it cannot supply any industrial load of whatever magnitude.

4. The fuel consumption and the use of lubricating oil is very heavy on account of large wear and the cost of repairs is out of all proportion to the value of the sets themselves. But since replacement sets are not available, the only way to keep the supply in existence is to continue to nurse the sets for as practicable.

5. Regarding the series of suggestions made by the Commissioner in the letter enclosed, I would comment as follows:-

Item (i). - As already stated, no new engine alternator set can be procured with or without the assistance of the Chief Electrical Inspector. Therefore the question of replacement of any form for purposes of loan does not arise.

Item (ii). - This suggestion, apart from being retrograde in the annals of the Municipal Electrical undertakings, is impracticable at present. If the licence were cancelled, it would be necessary for a new body to take over the undertaking and continue supply. The uncertainty and high cost of supply is due to the condition of the engines. If Government cannot obtain engines for the Municipal Council through the Electrical Commissioner as in the case at present, it is a foregone conclusion that any private party will be less able to procure any new set. Therefore, the alternative to the Municipal Council operating, the licence to the best of their ability is to discontinue supply and dispose of the equipment, pay off part of the loan and write off the balance to other sources. I was in Despatch two days ago and had occasion to discuss the matter with the Chairman of the Municipal Council. He is not prepared to adopt the alternative of discontinuing supply and

considers that his Council are also of the same view. A meeting of the Council is scheduled to be held in the near future when this matter will be further discussed and the considered opinion of the Council forwarded to Government.

I have also suggested to the Municipal Chairman the advisability of taking advantage of the 'War Conditions Surcharge' G.O. and recommend a surcharge which, in the opinion of the Council, the local load can stand. It is likely that in view of the high cost of fuel, high cost of maintenance and the restrictions on supply, the surcharge would be of a very large magnitude - somewhere between 50 and 75 per cent, to enable the Council to keep their operation just going. (~~I will forward my comments on~~)

I will forward my comments on items (iii) to (vii) of the Commissioner's letter, after receipt of the considered opinion of the Municipal Council.

Chief Electrical Inspector
to Government.

To The Secretary to Government, Public Works Department, Madras, with enclosures.

Encls: Hospet Commissioner's letter No.3480/43-B1 dated 23-12-43 with enclosures & Collector's endt

M/GS.29.1.

P.WD

Please at Above. The C.E.I. G's further report may be awaited till 15-2-44. L A D may see up to this much

Office of the
Chief Electrical Inspector to Government,
Chepauk, Madras.

Endorsement No.2315-D/43-4 dated 2-2-44.

Sub: Electricity - Vospet Municipal Electrical undertaking - Diversion of funds to meet expenditure.
Ref: Letter from the Commissioner, Vospet Municipality to Secretary to Government, Local Administration Departmen C.No.2469/43-A1. dated 1-10-43.

Forwarded through the Secretary to Government, Public Works Department. The matter has been under correspondence with the Municipal Commissioner.

2. The above letter may be taken as having been superseded by the letter dated 27-12-43 and endorsement of the Collecto of Bellary dated 3-1-44 forwarded to Government in the Publi Works Department with my endorsement No.2315-D/43-F dated 29-1-44. (My remarks in the above endorsement cover the thre points raised in the Commissioner's letter.)

T. J. [illegible]
2-2-44.
Chief Electrical Inspector
to Government.

To The Secretary to Government, Local Administration Dept., through the Secretary to Government, Public Works Department Madras.

Encls: 1 letter in original.

Please see C.E.I.G's endts on pp 33-34 & 35 ante.
The further communication promised at 'A' on p 34 ante may be awaited. Meanwhile L.A.D may see.

KPC
18/2/44.

20.2.44 S 21.2.44

To E
8.2.44

2nd N.
9.2.44

L.A.D
(A.L.)
May be perused & returned.
P.W.D.

H
1749
25.2.44
P.W.D.

L.A.D. No 5103 - I.A. dt 25-2-44

To
P.W.D. No 4439/43-1
21-1-44.

LOCAL ADMINISTRATION DEPT.
23 FEB 1944
5103
SECRETARIAT, MADRAS

Department

From (Name) Sri [illegible], B. A.,

Designation Commissioner,
Hospet Municipality,

Station H. O. P. E. C.

Received ..... Registered 14 FEB 1944

To

The Secretary to Government,
Public Works Department, Madras
through
The Chief Electrical Inspector
to Government, Madras.
through
The Chairman, Municipal Council
Hospet.

Enclosures: C. No. 3480/43 - B1 dated 10 - 2 - 1944.

Sir,

Subject :- Lighting - Electricity Hospet Municipal Electrical Undertaking Deficit in the Budget Estimate - Ways and means - Post-ponment of annuities on Government Loans etc., - Permission requested.

- - - -

Ref :- This office letter C. NO: 343 /43 - B 1 dated 23 -- 12 -- 1943.

- - - -

In this office letter quoted above, the Government were requested to stop payment of annuities of loans already borrowed from the Government for the Electricity Scheme till the concern becomes remunerative and to accord sanction for the permanent diversion of the balance of Rs.11000/- which was transferred to the Electrical Account as a loan from the amount ear-marked for Water Supply and Drainage Fund, as per G.O. NO: Ms:1230 L.A., dated 28-8-1942. When the Chief Electrical Inspector to Government, Madras visited this place during the last week of January 1944, the Chairman and myself had an occasion to discuss with him further ways and means to recoup the deficit in the Electricity Budget. The proposals formulated in consultation with the Chief Electrical Inspector to Government were accordingly placed before the Council at it's Urgent Meeting on 28 - 1 - 1944. The Council in it's Resolution NO:530 dated 28 - 1 - 1944, copy submitted herewith, while approving the proposal of the Chief Electrical Inspector to Government to reduce the expenditure on the maintenance of the plant by Rs.8000/- from the amount allotted in the Budget estimate for 1944 - 45 and to levy War Commition Surcharge at 75 % on all electricity bills for the duration of the War, has reiterated its request already made at the time of passing the budget estimate for 1944 - 45 to request the Government to permit the postponment of annuities on Government Loans [illegible] the advance taken from the Water Supply and Drainage Fund of this Municipality for the Electricity Undertaking till the duration of War.

The Chief Electrical Inspector to Government, Madras has also separately requested in this Office letter C. NO:429 dated 4 - 2 - 1944 copy of which is herewith submitted for favour of perusal, to approve the levy of War commition surcharge at 75 % as approved by the Council.

I request that the Government may be pleased to approve the decision of the Council to postpone the annuities on Government Loans already borrowed for the Electricity undertaking and also the advance of Rs.11000/- taken from the Water Supply and Drainage Fund of this Municipality for the same purpose till the duration of War.

Commissioner.

11/2/44

P. T. O.

COPY OF COUNCIL RESOLUTION NO: 530 Dated 28-1-'44.

Read:-

(2)

Government Order Ms.2408 dated 9th November 1943 permitting Public Electricity Supply undertaking to levy war condition surcharge to recoup the losses incurred by the undertakings on account of thw wa

(2) Letter No.3314/D-43-3 dated 10-1-1944 from the Chief Electrical Inspector to Government, Madras proposing the levy of War Condition Surcharge to balance the Budget.

(3) Proposals from the Commissioner on the suggetion of the Chief Electrical Inspector to Government, Madras dated 28 - 1 - '

(a) The proposal of the Chief Electrical Inspector to Government to reduce the expenditure on the maintenance of the plant for the year 1944 - 45 by Rs.6000/- from the amount proposed in the budget for 1944-45.

RESOLUTION :-

Approved.

(b) To request the Government to permit the postponment of annui-ties on Government Loans and also on the advance taken from the Water and Drainage fund of this Municipality for the Electricity undertaking till duration of War.

RESOLUTION :-

Approved.

(c) To enhance the rates by 75 % on all electricity bills for the duration of the War to meet the deficiency of the income on the Electric concern with reference to the expenditure for it's mainte-nance in the present condition.

RESOLUTION :-

Approved.

SD. M. V. Swamy,
Chairman, M. C.,

/TRUE COPY/

Commissioner.

COPY OF THIS OFFICE LETTER C.NO:429 Dated: 4-2-'44
addressed to the Chief Electrical
Inspector to Government, Madras.

Sub:- Lighting - Electricity Hospet Municipal Undertaking - Levy of war condition surcharge - approval requested.

Ref:- i) G.O. NO: Ms:2408, P.W. dated 9-11-1943.
ii) Your NO: 3315-D-43-3 dated 10-1-1943.

I submit that in the above order, the Government are pleased to permit the Public Electricity Supply undertakings to levy war conditio surcharge to recoup the losses on account of drop in revenue due to restrictions in hours of running of Power Plant etc.,

The matter was further examined when the Chief Electrical Inspect to Government, inspected the Hospet Municipal Electrical Undertaking. The following proposals are placed before the Council for balancing th budget of 1944 - 45: -

i) To levy war condition surcharge on all electricity bills at 75 % in which case the expected receipt will be about Rs.32970/- and the concern will be able to meet the expenditure for it's maintenance only for 1944 - 45.

2) To reduce the maintenance expenditure for the year 1944-45 b Rs.6000/- as suggested by the Chief Electrical Inspector to Government Madras during his inspection.

3) To request the Government to order the postponment of the pay-ment of annuities on Government Loans and also on the advance taken from Water Drainage fund of this Municipality till the duration of War in continuation of the Resolution already made by the Council in this regard at the time of ~~preparing~~ preparing the budget estimate for 1944 - 45.

The Council accordingly approved the proposals in council resolution No.530 dated 28 - 1 - 1944 a copy of which is herewith submitted for information.

I request that order may kindly be issued for the levy of war condition surcharge at 75 % as approved by the Council.

Sd. M. Sitaramaswami,
Commissioner.

/True copy/

COMMISSIONER.

C.P.10-2.

forwarded.
Chennalswami
11.2.
11/2/44

11/2/44

A.F. 32.

ELECTRICITY Department

From (Name) T.J.Pirchandani,

Designation Chief Electrical Inspector to Government,

Station Chepauk, Madras.

Received ——— Registered ———

To

The Secretary to Government,
Public Works Department,
Fort St.George, Madras

1488

Enclosures:

No. 2315 D/43-5. dated 10th February 1944

Sir,

Sub: Hospet Municipal Electrical Undertaking
Improvement of the financial position.

=====

Further to my endorsement No.2315 D/43 P, dated 29-1-4 I forward herewith letter No.3480/43 B 1, dated 10-2-44 from the Commissioner, Hospet Municipality, containing proposals of the Municipal Council for recouping the defici in the working of its electrical undertaking. My comments on items (iii) to (vii) in the Commissioner's letter dated 23-12-43 are submitted below:--

Items (iii) and (v). As explained in paras 6 and 7 of my letter No.243 /44-2, dated 8-2-44 (sent through the Chief Engineer (Electricity)) on the levy of war condition surcharge, the anticipated deficit of Rs.31,116/- during 1944-45 could be reduced by Rs.6,000/- by effecting economie in operation and maintenance expenditure. An additional revenue of Rs.9,800/- is expected to accrue as a result of the levy of 50% surcharge. Nevertheless, the undertaking will be faced with a deficit of Rs.15,316. The postponement of the payment of annuity for the year (Rs.15,373) is the only feasible course left open to meet the situation, in wh case the further advance of Rs.28,000/- asked for in item (i would be unnecessary. In the latest letter dated 10-2-44 sent herewith the postponement of annuity is stressed and the question of advance of Rs.28,000 is not pursued at all.

I would also invite reference to para 11 of my letter No.243 M/44-2, dated 8-2-44. The postponement of annuity payment is strongly recommended.

Item (iv). There is no information available in this office files on the subject. Hence I have no remarks to offer. But, if there is a taxable margin as the Commissioner's proposal would seem to suggest, it is desirable that it should not be left untapped.

Item (vi). In Memorandum No.474 dated 7-2-42, Government permitted the diversion of Rs.6,000/- from the loan funds to meet the charges connected with over-hauling the engine sets. While reviewing the accounts of the undertaking for the year 1941-42 in G.O.No. 2110 P.W. dated 8-10-43 Government advised the Municipal Council to invest the unspent balance of the loan. But in his letter dated 23-12-43 the Commissioner has stated that the unspent balance excepting Rs.4000/- had been expended. In view of the financial conditions of the undertaking the action of the council in having diverted the loan for different purpose may be allowed as a special case.

Item (vii). In his letter dated 10-2-44 the Commissione has modified his previous proposal. Instead of permanent diversion of the loan taken from water and Drainage Fund he requests that repayment may be postponed for the duration of war. The request is reasonable and is recommended for approval

LOCAL ADMINISTRATION DEPARTMENT.

From

Sri. M. Sitaramaswami, B.A.,
COMMISSIONER
Hospet Municipality,
H O S P E T

D1117
20-3-44

To

The Secretary to Government,
Public Works Department,
M A D R A S.

Through
The Chief Electrical Inspecto
to Government, Chepauk,
M A D R A S.

Through
The Chairman, Municipal Counc
H O S P E T.

C.NO:3480/43-B.1 Dated:-15-3-44.

Sir,

Sub :- Lighting-Electricity- Hospet Municipal Electrical under--taking - deficit in the Budget Estimate - ways and Means Postponment of annuities on Government Loans etc., - Perm-tion requested. - - - -

Ref :- i) This office letters C.NO:3480/43-B.1 dated 23-12-1943 and 10 - 2 - 44. - - - -

I beg to invite the attention of the Government to this office references quoted above and request the favour of early orders.

Forwarded
M. Venkatesh
Vice Chairman 16/3/44

C.P.16/3.

COMMISSIONER.

Electricity Department.

Office of the Chief Electrical Inspector to Government, Chepauk Madras.

Endt. No.2315/D/43-7 dated 21st March 1944.

Forwarded.

MAR 1944

The references cited in this letter were forwarded to Government in this office Endt. No.2315/D/43-P dated 29-1 and letter No.2315/D/43-5 dated 16-2-44 with my remarks.

S. R. Sankaragopalan

Chief Electrical Inspector to Government

CLV/DSR.23-3-44

To

The Secretary to Government,
Public Works Department,
Madras.

Local Administration Department

From (Name) Sri.M.Sitaramaswami,B.A.,

Designation COMMISSIONER,

Station Hospet Municipality,

HOSPET.

Received Registered

To

The Secretary to Government,
Public Works Department,MADR
Through,
The Chairman,
Municipal Council, Hospet.

Enclosures:

14 APR 1944

C. No. 3480/43-B.1 dated 16-4-1944.

3413

Sir,

Sub :- BUDGET - BUDGET ESTIMATE FOR 1944 - 45 - ELEC LICENSE SCHEME - HOSPET MUNICIPALITY - APPROV REQUESTED.

Ref :- This office C.NO:3480/43-B.1 dated 23-12-'43.

C.No.6.P.C/43

I beg to submit that the budget estimate for the year 1944-45 of t Electric License Scheme was submitted to the Government in this office reference C.NO:3480/43-B.1 dated 23-12-'43 for favour of sanction. So,f no orders have been received on the budget estimate and the recurring expenditures are being met without the sanction of the Government. I request that the orders of the Government on the Budget Estimate may kindly be passed at an early date.

C.F. 17.

DRAFT FOR APPROVAL.

P.W.D.

	Initials.
When received for fair copying.	
When copied	
When examined	
When signed	
When despatched.	

SUBJECT :—

Electricity - Hospet Municipal Electri Licence - Budget estimate for 1944-45 Improvement of financial position of the undertaking - Orde:

READ AGIAN G.O.No.1400 L.A., dated 22-5-41 19.
" 474 L.A. 7-2-42
" " " 1230 L.A. " 28-3-42 19

READ *ALSO* :—

No. From the Commr.Hospet.Mlty., No.3480/43B, dated 23-12- 19 43
C.I.E.G. 2315 D/43-P, d/29-1- 44
" Commr.Hospet.Mlty. " 3480/43B.1 " 10-2- 19 44
" C.E.I.G. "2315 D/43-P, 16-2- 44.

Order ~~Resolution~~ Ms. Rout. No. 1371, dated 15-5-44. 19

Record

2. The Govt. accept the recommendation of the C.E.I.G. that the anticipated deficit in the worki of the licence during 1944-45 may be reduced by Rs 6,000/-by effecting economies in operation and maintenance expenditure. The provision made in the B.E. for the maintenance of the plant may accordingly be reduced by Rs 6,000/-.

3. The Govt. are pleased to pass also the following orders on the suggestions made by the Commr. to improve the finances of the undertaking:-

(i) Grant of loan for purchase of a new engine set The question is under consideration and orders will issue in due course.

(ii) Revocation of the licence. The C.E.I.G. considers the suggestion to be impracticable at presen ~~apart from being retrograde in the annals of the Municipal Electric undertakings~~. As the question of obtaining from Cochin, an engine set to replace the existing one at Hospet is under consideration separately, this suggestion will be dropped for the presant.

(iii) and (iv). Advance to wipe off deficit and enhancement of lighting tax. It is considered unnecessary to proceed with these suggestions at present.

(v). Postponement of annuity on loans given for electricity schemes. Orders will be issued in the Local Administration Department.

(vi) Diversion to maintenance of engines, the loan sanctioned for extension of Power House and Plant. The Govt. sanction the diversion of Rs 35,000 out of the loan of Rs 45,000 sanctioned in G.O.No.1400 L.A., dated 22-5-41, for meeting the high maintenance cost of the existing old engines. The Commr. is informed that the previous sanction of the Govt should have been obtained before the amount was actually diverted.

(vii). Diversion to electricity account of loan sanctioned for water supply and drainage scheme. In G.O.No.1230 L.A. d/ 28-3-42 the Govt. sanctioned a temporary diversion of Rs 11,000 from the water-supply and drainage fund to the Lighting account of the municipality and ordered that it should be repaid in ten equal annual instalments of Rs 1,100 each. The balance of this loan outstanding on 1-4-44 was Rs 9,900. The Govt. consider it sufficient for the present to postpone the payment of Rs 1,100 due for the year 1944-45.

Orders on the proposals for the levy of war condition surcharge will be issued separately.

To the Commr. Hospet Municipality
through C.M.C.

C.E.I.G.

Exr. L.F. Accts.

Collr. of Bellary

L.A. Deptt.

E. & P.H. Deptt.

Finance Deptt.

Electricity - Hospet Municipal Electricity undertaking - B.E. for 1944-45. Measures to improve the financial posit

pp 1-2	From the Commr. Hospet Municipality	C No. 2469/43 B1	d 1.10.43
pp 3-4	" "	" " No. 34 D/43 B1	d 23.12.43
pp 5-6	" "	Chief Electric Inspector to Govt.	No. 2315/D 43 3 d 10.1.44
p 7	" "	Collector of Bellary	No. P.R. 88/43 B1 d 21.1.44
pp 8-34	" "	Chief Electric Inspr. to Govt.	No. 2315 D/43 P. d 29.1.44
p 35	" "	" "	No. 2315 D/43-4 d 2.2.44
pp 37-41	" "	Commr. Hospet Municipality	C No. 3480/43 B1 d 10.2.44
pp 42-42	" "	Chief Elec. Inspr. to Govt.	No. 2315 D/43-5 d 16.2.44.

The financial position of the Hospet Municipal Elec. undertaking being very bad, the Commr. of the Municipality made the seven proposals [items (i) to (vii)] on p. 44 cf. for its improvement when he sent the budget estimates for the year 1944-45. ~~of the Govt~~ Item (i) cannot be persisted with, while item (ii) is impracticable and ~~as pointed out by the C.E.I. on pp 33-36 cf.~~ Govt has pointed out. — vide para 5 items (i) & (ii) on p 33 cf.

2. The correspondence on pp 37-42 cf. relate to the other five of the Commr.'s proposals referred to above and to two other suggestions made by the C.E.I. himself for improving the undertakings' finance position viz (a) reducing the operation and maintenance expenditure and (b) levying a war condition surcharge.

3. Item (iii) on p. 44 cf. This seems to have been since dropped by the Commr. — vide N/M on p 41 Cf.

4. Item (iv) on p. 44 cf. The council did not approve this. The C.E.I. now remarks that if there is a taxable margin, it is desirable that it should not be left untapped. T.A.D. will perhaps be able to state

5. Item (v) on p. 44 cf. The annuity on loans payable for 1944-45 Rs ~~15,316~~ 14,373, while the deficit, even after taking account of the saving in revenue expr. & levy of surcharge proposed by the C.E.I. ~~stated~~ expected to be Rs 15,316. Hence this deficit may support the proposa

postpone the payment of annuities, which is also recommended by the C.E.I.G. | GD/1

6 Item (vi) on p.14 c.f. In the circumstances stated at 4 on p.42 c.f. the action of the council in having diverted the loan (sanctioned for capital works) to maintenance may be approved.

7 Item (vii) on p.14 c.f. This has since been modified, and the Comms. requests that repayment of this loan may be postponed for the duration of the war. The C.E.I.G. recommends it. This may also be supported in this Deptt. | GD/14.3.44 Cf. 'B' on pp 38 & 42 c.f.

8 Reduction of expenditure on maintenance. Please see portion marked 'K' on p.38 c.f. Reduction of the provision made for maintenance of plant in the P.O.E. for 1944-45 may be approved. | GD/14.3.44

9 Levy of surcharge. Please see 'M' on p.38 c.f. The C.E.I.G. has since suggested a levy of surcharge at 50% only, instead of 75% as proposed by the council, and the connected file has been sent to L.A.D. for remarks. This dept. has agreed to this levy of a surcharge of only 25%. } File sent to L.A.D. M on p.38 c.f.

10 The remarks of L.A.D. & Finance may be invited. L.A.D may also be requested to issue orders in regard to points dealt with in paras 4-7 above.

11.3.44

14.3.44 GD/14.3.44 L.A.D.

Thro E. Sec.

KRM 13.3.44.

14.3.44

L.A.D

G.O. No. 1400 L.A. dt. 22-5-1941 is forwarded herewith. The file required for this is file No. 23971/43 which has been sent to P.W.D & may be expected back shortly. Hence may await the receipt of that file. This may be over till 22-3-44.

15/3/44

AD (GD)

See (vi) on p.8 c.f. & 15.3.44

GD 16/3

ADMINISTRATIO 16 MAR 1944 7214 SECRETARIA

The seven suggestions of the Commr at pt 14 of C to invite the views of the M.L. Elec. undertaking may be noted. The Mpl. C. decided against suggestion (iv), levy of lighting tax and accepted the rest. The Collector of Bellary has suggested that any one of the measures approved by the Council may be adopted. The remarks of the C.E.Elg will be found at pp 33-34 C & pp 41-42 C.

2. At the outset it may be well to consider the second suggestion (ii) of the Commr, approved by the Council & supported by the Collector, namely, to revoke the licence. The C.E.Elg considers it retrograde. He considers it also impractic because no other person can be found now to take the licence, if the licence given to the Council is withdrawn. But the suggestion is well worth consideration, in view of the precarious position of all the two of the three engines, except one. If the engines break down before they are replaced, the effect cannot be far different from that which will happen if the licence is revoked. In a recent communication on this, the C.E.Elg has reported that an engine set from Chittur, Cochin State, is likely to be available in Apl

If this set is available & is installed at Hospet, the position will improve as there will be a considerable reduction in working costs which has gone up mainly on account of the poor condition of the existing engines. If the set from Chitkur will not be available & no other set can be procured, the suggestion for closing down the undertaking by the revocation of the licence will have to be seriously considered | See para 3 on p 3

The other suggestions of the Commr are examined below.

Suggestion (i) - grant of loan for purchase a new engine set: The loan of Rs 45,000 sanctioned vide GO No. 1400 L.A., dt 22-3-41, for I/3-4
the extension of the Power House building and for the installation of a new engine alternator set (12)
the purchase of new engine sets has been used up for other purposes only Rs 40001 is available. The diversion M or A
by a sum of Rs 6000 out of the loan of Rs 45,000 is covered by the sanction given in GO No 4744 L.A., dt 7-2-44. The A/9
request for sanction the diversion of the balance of the loan on
balance of the loan is used up for meeting the high maintenance costs & suggestion (ii) dealt with later. This linked file is awaiting for sanction to the
to be dealt with deals with the question of giving an initial loan if necessary, as soon as a new engine set becomes available. Since a set is likely to be

available in April 44 and as the loan sanctioned in G.O. No. 1400 L.A. of 22-9-41 has been diverted to other purposes, it is proposed in the linked file to ask the C.E.Elg. urgently to report what the amount of loan required by the Council will be, to procure the set which is likely to be available at Chittur (Cochin State).

Suggestion (iii) - Grant of Rs 28000 as advance to wipe off deficit in Elec. Licence Ac. ~~Whether deficit is wiped out, possibly, the diversion of the proceeds of the loan sanctioned in G.O. No. 1400 L.A. of 22-9-41, used to meet maintenance costs will be made good.~~ The C.E. considers that the levy of surcharge at 50 p.c & postponement of annuity will render the advance unnecessary. Both the question of levying 50 p.c surcharge & that of postponing payment of annuity are under separate considerations. Hence it is unnecessary to consider the suggestion (iii) at present.

Suggestion (iv) - postponing payment of annuity. The question is under separate consideration in the Secretariat.

(vi) Diversion of loan sanctioned for purchase of new sets to maintenance vote. The Committee should ask for the sanction of the Govt before diverting the loan. Of the loan of Rs. 65,000 sanctioned the diversion of Rs 6000 for extension of power house was sanctioned in G.O 436 L.A of 7-2-4 only Rs 4000 of the loan now remains unspent. The amount diverted for the maintenance of the old engines is therefore ~~thereby~~ borne out of Rs 35,000. This may be sanctioned late by the Govt. They may also ask the Govt why they should have obtained sanction before hand etc.

(viii) Request for conversion of Rs 11000 from W & D fund to Elec: licence fee being made permanent. This diversion is temporary / diversion of Rs 11,000 from the water supply and d fund to the lighting scheme was sanctioned in G.O No. 1230 L.A dt 28-3-42. The diversion O/47-48 should be made good in ten equal annual instalments. ~~He is not known~~ ~~Is the any part of it has to repaid~~ The According to the loan instalment at Rs 20 cts, the amount of diversion outstanding on 1-4-44 will be Rs 9900, the Rs 10000 provided

for repayment of the instalment of Rs 1100 due in 1944-5. There seems to be no objection to the postponement of the repayment due in 1944-5. If it would appear sufficient to do this for the present. P.W.D may be requested to consult F&P.H on this point.

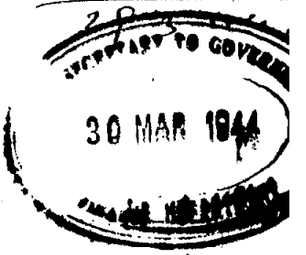
4. Accg to the B.E (p 15 C.P) for 1944-5, the deficit for the year will come to Rs 27,379. Wet condition surcharge if levied at 50% as suggested by this Deptt will bring an additional revenue of Rs 9000. The annuities on loans & repayment of amounts diverted ~~repayment, if~~ are postponed, the deficit will be reduced ~~the~~ deficit ~~by~~ to Rs 2693 ~~Rs 786~~. It is presumed that ~~whether~~ the provision of Rs 35105 ~~for~~ under working expenses has been arrived at after excluding Rs 6000 ~~which is to be~~ which is ~~expected to~~ the extent of the savings ~~under this head~~ anticipated by effecting economies in operation & maintenance ~~suggested by the C.E~~.

5. Orders on the Comm's suggestions may issue in P.W.D & a copy of the orders communicated to this deptt. It seems unnecessary for this Deptt to take separate extracts. ~~orders issued in P.W.D~~ ~~when received in this Deptt will be indented~~ ~~under the appropriate head~~

10.6 (i) Th. these remainder missing
to be passed on to Kochi Govt. etc. C.E.

Fin
Labour No 7214-1A

Finance (Exp.B.)



With a view to improving the financial position of the Hospet Municipal electrical undertaking, the Municipal Commissioner made ~~the following~~ seven suggestions which are at p. ~~14~~ C.F. This Department is mainly concerned with the following:-

(1) To sanction the necessary loan for purchasing a new engine alternator/set to Hospet Municipal Power House.

(2) To sanction an advance of Rs.28.000 to wipe off the anticipated deficit under 'F. Remunerative-enterprises

(3) To stop payment of annuities of loans already borrowed for electricity scheme till the concern becomes remunerative.

(4) To ~~accord~~ sanction ~~for having diverted~~ the loan ~~amount~~ for diversion of Rs.35.000 out of of Rs.45,000 sanctioned in G.O.No. 1400 L.A. dated 22-5-41 for ~~the extension of electric power house and plant for~~ meeting the High maintenance cost of the existing old engine; and

(5) to accord sanction for the permanent diversion of the advance of Rs.11,000 which was transferred to the electric account as a loan from the amount earmarked for water supply and drainage fund.

Items (1) above -- The L.A.Department point out that out of the loan of Rs.45,000 sanctioned in G.O.No. 1400 L.A. dated 22-5-1941, a sum of Rs.4,000 only is available and that the C.E. being asked to report separately as to the amount of loan required to procure the set which is likely to be available at Chittoor (Cochin State). Pending receipt of the C.E's reply, no remarks are now called for.

KRV
6.4.44

Items (2) and (3) above -- The Chief Electrical Inspector to Govt, has stated that the postponement of the payment of annuity for the year (Rs. 15,373) is the only feasible course left open and that

the payment question of further advance is unnecessary. The L.A Department have stated that the question of postponing the annuity is under separate consideration. No remarks are called for at this stage.

Item (4) above -- The Chief Electrical Inspector to Government has pointed out that in view of the financial position of the Municipal Council, the diversion may be allowed as a special case. The L.A.Department propose to sanction the diversion and to inform the Commissioner that he should have obtained the previous sanction of the Government before diverting the amount. Finance may agree.

Item (5) above -- In G.O.No. 1230 L.A., dated 28-3-42 the temporary diversion of Rs.11,000 from water supply and drainage fund to the lighting account was sanctioned. The diversion was to be made good in 10 equal instalments. The balance of loan outstanding on 1-4-1944 was Rs.9,900. The L.A. Dept. propose that the amount of Rs.1,100 due for payment in 1944-5 may be postponed after consulting E & P.H. Finance may agree.

5/4/44

6/4/44

Please see the note of L.A. and Finance on [illegible] the proposals originally made for imposing the [illegible] the Municipal [illegible] would obviate the [illegible] Commissioner's suggestions

3 Suggestion (i). Grant of loans for purchase of a [illegible] engine set. Action is being taken separately.

4 Suggestion (ii). Revocation of the licence. L.A.D. remark if the engine set proposed to be obtained from the Cochin State will not be available, the revocation of the licence will have to be reconsidered seriously considered in spite of the C.E.'s recommendation against this suggestion. The question may be taken up later if and when necessary

5 Suggestions (iii) & (iv) Advance to wipe off deficit & increase of lighting tax. These are not to be considered now.

6/ Suggestion (v): Postponement of annuities on loans given for Electricity scheme. L.A.D. have proposed, & in the limited ... to sanction postponement for one year. No action in this file

7/ Suggestion (vi) Diversion ... to maintenance of engines, the loans given for Extension of Power House & Plant. L.A.D. and Finance agree to a diversion of Rs. 25000.

8/ Suggestion (vii) Diversion to Elec. account, of loans sanctioned for Water supply & Drainage scheme. L.A.D & Finance agree that ... the repayment from the Elec. Account to the W.S. & D. account of Rs 11100 due for 1944-45 may be postponed. G.H.H. has to be consulted

9/ Suggestions of the Ex. Eng.

(a) Reduction of expenditure on maintenance (L.A.D. and ... Finance have made no specific ... remarks on the suggestion that the B.E. for 1944-45 for maintenance be reduced by Rs 6000 Provisionally they have no objection

10/ (b) Levy of War conditions surcharge ... is being dealt with separately

11/ L.A.D. remarks that orders on the Commissioners ... may issue in P.W.D. ... Obligations referred to above ... It may be stated to ... is submitted. ... to L.A.D. and G.H.H. for acceptance ...

9.4.44 ... 22.4.44 ... L.A.D. 18.4.44. 18.4.44

... Pledge ... Executive Engineer ... 24.4.44

... of Divl. P.W. ... Rs. ... to above ... Sanctions have been decided ... to Sanction

LOCAL AND GENERAL DEPARTMENT
25 APR 1944
SECRETARIAT

a war-condition surcharge of 2½% only. This will bring in an additional revenue of Rs 4900 & reduce the budget deficit of Rs 27,379 to Rs 22,479. The postponement of the payment of annuities on which has since been agreed to loans will reduce this deficit to Rs 7093. If credit is taken for savings of Rs 600 as suggested in para 2 of the diary order, the resulting deficit will come to Rs 1093. The Council may be asked to retrench expenditure so as at least to avoid this deficit, though it appears doubtful whether it will be possible to effect reduction beyond further.

2. The C.E.&S. has since reported that a loan of Rs 16000 will be required for the purchase & installation of the engine sets which it is proposed to acquire at Cochin. The Council is being asked to sanction a loan application.

3. Subject to these remarks, the draft order may be accepted and the file passed on to D. E & P.H.

Edn. & P.H. (E2) Dept.

This department may agree to the postponement of the payment of the annual instalment of Rs.1,100/- due for the year 1944-45 referred to in para 3 (vii) of the draft order. (Plans and Estimates have yet to be prepared for the water-supply schemes and the payment of the instalment is for only one year).

2. In para 3(v) of the draft order it is stated that

SECRETARY TO GOVERNMENT
1 - MAY 1944
EDUCATION AND PUBLIC HEALTH DEPT.

orders will be issued in the L.A. Department with regard to the postponement of annuity on loans granted for electricity schemes. But in the loan statement on page 20 c.f. the annual instalment of Rs.1,100/- on account of the diversion from the water-supply and drainage fund is also included. It is presumed that this sum of Rs.1,100/- on account of the diversion will be excluded in the orders that will be issued by the L.A. Dept. in regard to loans.

With these remarks the case may be ~~sent~~ returned to P.W. Dept. thro' L.A. Dept.

L.Adm-Spl.-Spl.-I No. 2025B-1 Spl.

3-5-44

Spl.-I Dept. are above. The resumption is correct. Later orders proposed to be issued in this Dept. reference is made only to the postponement of the annuity on loans taken from the Govt.

3.5.44

To P.W.D.

LOCAL ADMINISTRATION DEPT. 4 MAY 1944 SECRETARIAT MADRAS

ASST. SECRETARY TO GOVT. PUBLIC WORKS DEPT.

Please see the notes of L.A. and Spl.-I. Depts. on pp 10-11 above. With ref to 'H' on p. 11 ante it is for consideration whether para 2 of the draft may be added to as shown in pencil on p.1 of the draft and the issued

4.5.44

Amend para 4 as indicated in pencil & issue draft

8/E

Please order - accordingly Condition for purchase

11/5

AS.

Orders issued vide G.O.Ms.No. 1195 PW dt. 26-5-44

Copy put up - Para 4 of the draft may be modified as